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TENNESSEE REGULATORY AUTHORITY



460 James Robertson Parkway  
Nashville, Tennessee 37243-0505

ira Kyle, Chairman  
borah Taylor Tate, Director  
it Miller, Director  
n Jones, Director

November 7, 2002

Mr. Guilford F. Thornton  
Stokes & Bartholomew  
424 Church Street  
Nashville, Tennessee 37219

Mr. Guy Hicks  
BellSouth Telecommunications, Inc.  
333 Commerce Street, Suite 2101  
Nashville, Tennessee 37201-3300

Re: WC 02-307,

*BellSouth Telecommunications, Inc.'s Entry Into Long Distance  
(InterLATA) Service in Tennessee Pursuant to Section 271 of the  
Telecommunications Act of 1996. (TRA Docket No. 97-00309) &*

*Petition of BellSouth Long Distance, Inc. to Modify Its CCN for Authority  
to Provide Resold InterLATA Service. (TRA Docket No. 02-01169)*

Dear Sirs:

In an effort to better understand the circumstances surrounding Mr. Jonathan Banks' October 29, 2002 letter to the FCC concerning a number of Tennessee customers who were allowed to select BellSouth Long Distance as their interLATA carrier prior to obtaining authorization to provide that service (copy attached), the Tennessee Regulatory Authority requests that you provide responses to the following additional questions by November 14, 2002:

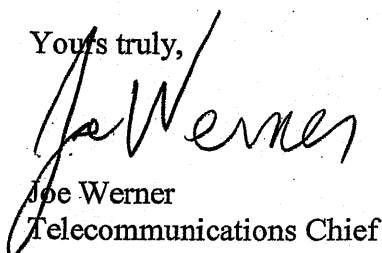
- 1) Did BSLD, or any other BellSouth affiliates, send any form of marketing information to any Tennessee subscribers, or contact them by phone advertising BellSouth as being available an interLATA carrier capable of providing interLATA services in Tennessee? If so, please provide a copy of the marketing information and/or a copy of the script used in the verbal contacts. Also, identify the number of Tennessee

customers receiving such information. Please describe all other marketing of interLATA services done by or on behalf of BSLD in Tennessee.

- 2) After the changes to the SOER edits were made on October 1, 2002, that allowed the orders of the Georgia customers served from Tennessee to select BellSouth as their interLATA carrier, what type of orders did the system allow to flow through that should not have? Please provide a list of the customers including name, address, class of service and serving central office. Also indicate whether these were new or existing BellSouth service customers.
- 3) Please describe in detail the circumstances surrounding the discovery by BellSouth that it had processed the orders referred to in Item 2 above in error. Please include how and by whom the discovery was made and the associated time line.
- 4) The attached letter indicates that no customers were billed for interLATA usage. Did BellSouth or BSLD actually provide interLATA services to any of the customers referred to in Item 2 above (ie. complete any interLATA calls for Tennessee customers)? If so, please provide a list of those customers along with the amount of interLATA minutes of use for each and the date BellSouth commenced providing them interLATA service. Additionally, please explain in detail how and when the customers were notified of the error along with a copy of any written notices that may have been sent to them and/or a copy of any scripts that may have been used in any verbal contacts with the customers involved.
- 5) Please describe in detail the process by which the subscribers above were transferred to other interLATA carriers after the discovery was made that BellSouth had processed their service orders in error.
- 6) Please identify the cross boundary area that required the additional code update on October 18, 2002.
- 7) Has BellSouth verified that the changes made on October 9, 2002 and October 18, 2002 have not negatively impacted any other of BellSouth's OSS used by competitors to provide service to their customers?
- 8) Please provide a copy of any and all written correspondence sent to the FCC and/or any other state utility commission concerning this matter.

If you have any questions concerning this matter, please contact myself at 615-741-2791 ext. 175 or Carsie Mundy at ext. 166. Thank you for your cooperation in this matter.

Yours truly,



Joe Werner  
Telecommunications Chief

Attachment: (1)

c: Parties of Record in Dockets 97-00309 & 02-01169

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Legal Department  
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1133-21st Street, NW  
Washington, DC 20038-3351

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Jonathan Banks  
General Attorney

202 463 4182  
Fax 202 463 4185

October 29, 2002

EX PARTE

Ms. Marlene H. Dortch  
Secretary  
Federal Communications Commission  
The Portals  
145 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

Re: WC 02-307

Dear Ms. Dortch:

The purpose of this letter is to inform you that certain controls in place at BellSouth Long distance ("BSLD") have uncovered a small number of customers who were initially allowed to select BSLD as their interLATA long distance provider in states in which BellSouth Corporation ("BellSouth") has not yet, or had not at the time the service orders were placed, received authorization to provide in-region interLATA services pursuant to Section 271 of the Telecommunications Act of 1996. As of October 23, these controls have uncovered 25 customers who had selected BSLD as their interLATA provider. Eighteen of these 25 customers are residential customers; 7 are business customers. Twenty-two of the orders were placed by customers in Tennessee, 2 by customers in Florida and 1 by a customer in Alabama. In each and every case, BellSouth has taken immediate steps to remove BSLD as the customer's interLATA long distance provider and to ensure that no billing for any usage occurs.

Florida/Tennessee

As noted above, all but one of the orders are from customers in Florida and Tennessee. These orders should have been prevented from completing by "edits" applied by the Service Order Communications System ("SOCS"). SOCS is the common entry point for all requests for service. The edits referred to are Service Order Edit Routine ("SOER") edits. SOER is an edit routine that reviews orders that have been placed through the retail ordering interfaces used by BellSouth Telecommunication Inc.'s service representatives. In simplistic terms, SOER "checks" to see that all necessary information, and no inappropriate information, is contained on a request for service. The SOER edit routine is a critical processing component in the creation of a service order to enable the request to be accepted by BellSouth's legacy systems for provisioning.

Specific edits were in place for the express purpose of preventing orders for BSLD service from being completed in pre-relief states. BellSouth has ascertained that these edits, which would have prevented Florida and Tennessee orders for BSLD services from passing, were unintentionally rendered ineffective by software updates that were implemented to solve other order problems.

Specifically, BellSouth determined shortly after the launch of BSLD services on September 27 in Alabama, Kentucky, Mississippi, North Carolina and South Carolina (the "5 State Order") that legitimate cross-boundary orders were being "blocked" by the SOER edits. Cross-boundary situations involve customers who physically reside in one state but whose service is provided out of a central office in another state. For example, in and around Chattanooga, Tennessee there are a number of customers who reside in Georgia but are served out of an office physically located in Tennessee. These customers are eligible for BSLD services. The SOER edits, however, were causing these legitimate cross-boundary orders to "fall out" of the system for manual handling.

On or about October 1 BellSouth instituted changes to the SOER edits to permit these orders to "flow through." When the checks in place caught several orders that should not have passed the SOER edits, BellSouth investigated. It was determined that the cross-boundary "fix" had the unintended effect of allowing certain orders to pass the edits without recognizing the Florida and Tennessee restrictions.

BellSouth implemented an emergency release to the SOER edits, which was effective on October 9, to correct the situation. BellSouth is continuing to monitor the SOER edits to ensure they are functioning properly. BellSouth has also implemented a "desk top priority" message on office representatives monitors in both Small Business and Consumer customer service offices emphasizing that BellSouth is not yet authorized to provide interLATA services in Florida and Tennessee and that no sales of BellSouth Long Distance services are permitted to be made in the two states.

One order was received from a customer residing in Tennessee after BellSouth believed the SOER edits had been "fixed." It was subsequently determined that the SOER edit fix did not correct the problem in one cross boundary area. That situation was fixed by an additional update on October 18.

ama

Finally, one order was accepted for an Alabama customer prior to BellSouth receiving authorization to provide in-region interLATA services in the 5 State Order on September 18. This isolated case was a result of the same SOER edits that caused the cross-boundary problems discussed above. In this case, however, it was a failure of a date specification in the

Ms. Marlene H. Dortch  
October 29, 2002  
Page 3

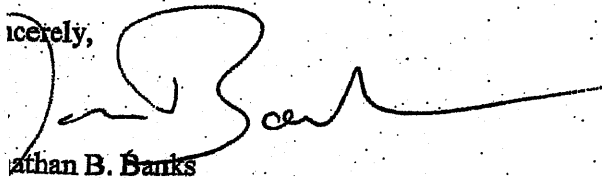
underlying code that allowed an order for BSLD service to flow for an Alabama customer who obtains local service from a central office located in Georgia. These edits were intended to ensure that orders for BSLD services would not "flow through" for customers in the 5 states until September 27 (the date specification). The edits did not work properly to prevent BSLD service before that date for customers in the 5 states who were served out of Georgia or Louisiana. In any event this order is not evidence of a systemic problem and was caught, as were all of the other orders, as a result of BellSouth's controls.

#### Conclusion

While BellSouth regrets that this situation has occurred, overall, it demonstrates that BellSouth has instituted adequate controls to prevent the provision of interLATA services prior to authorization and to identify any orders that may have been accepted in error so that they can be corrected. Between October 1 and October 9, approximately 87,000 customers contacted BellSouth Small Business Customer Service centers. These 87,000 contacts resulted in only 7 inappropriate BSLD orders, approximately 0.008% of the contacts. This de minimis number clearly indicates that BellSouth's training and other controls have been effective. Similarly, Consumer (residence) Customer Service Centers received over 500,000 contacts from customers in Tennessee and Florida during this timeframe and only 18 orders were accepted in error, an error rate of 0.0036%.

BellSouth, in providing this information, does not admit that a violation of the Telecommunications Act of 1996 or any other provision has occurred. The situations addressed in this letter demonstrate that BellSouth had adequate controls in place to prevent the provision of in-region, interLATA service prior to appropriate approvals. Please contact me if you have questions.

Sincerely,



Nathan B. Banks

Hilary DeNigro  
Christine Newcomb  
Beth Keating  
Sara Kyle  
Luin Fitch  
James Davis-Smith